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MINISTRY OF COMMERCE AND INDUSTRY

RESOLUTION

TARRIFS

New Delhi, the 27th October 1959

No. CH(I)-31(36)/58.—The Tariff Commission has submitted its Report on the fair selling prices of caustic soda, chlorine, hydrochloric acid and bleaching powder on the basis of an enquiry undertaken by it under section 12(d) of the Tariff Commission Act, 1951. After examination of the cost of production of caustic soda in all forms and of allied products in representative units, the Tariff Commission in its report has made the following recommendations regarding the fair selling prices which will be in force till December, 1960. These are ceiling prices which no unit should be allowed to exceed but may lower if the exigencies of their business require them to do so:—

- (i) The fair selling price of fused solid caustic soda to be Rs. 35 per cwt.
- (ii) The fair selling price of caustic lye on the basis of 100 per cent NaOH content to be Rs. 25.80 per cwt. The price includes filling charges, but not the cost of rental of containers.
- (iii) The fair selling price of caustic soda flakes to be Rs. 40 per cwt.
- (iv) The fair ex-works price of dry gas chlorine, naked, supplied for the manufacture of chlorinated products within the factory or in adjacent units to be Rs. 13 per cwt.
- (v) The fair selling price of liquid chlorine in returnable containers inclusive of filling charges to be Rs. 22.20 per cwt.
- (vi) The fair selling price of commercial grade hydrochloric acid, naked, inclusive of filling charges to be Rs. $10\cdot80$ per cwt.
- (vii) The fair selling price of bleaching powder to be Rs. 24·20 per cwt. This price show be applied both to stable and unstable bleaching powder. With a view to reducing the gap between the fair selling price of domestic bleaching powder and that of the imported product to the maximum extent possible, Government should consider the possibility of permitting imports of bleaching powder free of duty. If this suggestion is not acceptable, a pool operated by the State Trading Corporation will be the only way of reconciling the two disparate prices relating to imported and domestic bleaching powder. The State Trading Corporation should acquire the entire indigenous production of bleaching powder at the fair ex-Works price of Rs. 23·20 per cwt., pool the imported and indigenous product and sell it through established distributors at a fair average price after providing for administrative charges and selling commission.

- 2. While the recommendations of the Tariff Commission were being examined it was pointed out that there were various advantages in the sale of caustic soda in liquid form as the production of caustic soda lye has substantial saving in fuel as well as steel, which are needed for packing the solid caustic soda in drums. From the point of view of the consumer also, use of caustic soda lye has many advantages as it is ready for use and can be transported in tank wagons for this purpose. At present, some of the manufacturers are selling caustic soda in liquid form at a price more or less in parity with that of imported solid caustic soda except in a few places where there are long haulages. The selling price charged by the manufacturers varies from Rs. 31 per cwt. to Rs. 37 per cwt. It was felt that the price structure should be so fixed so as to provide an incentive for the increased use of caustic soda in liquid form in view of the advantages both to the producer and to the consumer. The Tariff Commission was therefore, addressed again in the matter with the suggestion that it might be an advantage if the benefits of the cheaper cost of production of liquid caustic soda as against fused caustic soda were shared more or less equally by the manufacturer and the consumer. In other words, while, the consumer would benefit by the price drop in caustic soda in liquid form, the producer would also find it more advantageous to concentrate on the production of caustic soda in liquid form and thereby effect substantial saving in fuel and steel for packing the caustic soda as fused solid. The Tariff Commission after considering this matter has suggested that the fair selling price of caustic soda lye, may be fixed as Rs. 29 per cwt. on 100 per cent strength basis in the form of liquid. In the case of solid and flakes, the price will be for material of purity of ISI specification.
- 3. The Government accept recommendations (i) to (vi) in para 1 above subject to the modification indicated in para 2 regarding the fair selling price of caustic soda lye. The attention of the industry is also invited to these recommendations.
- 4. These prices are ceilings for selling prices for purchases ex-factory either directly or through agents or distributors of the manufacturers, and will be effective from the date of this Resolution.
- 5. As regards Bleaching Powder, the Government is examining the mater with reference to the recommendations of the Tariff Commission and their decision will be made known in due course:

ORDER

Ordered that a copy of the Resolution be communicated to all concerned and that it be published in the Gazette of India.

S. RANGANATHAN, Secy.